

SIDLEY AUSTIN LLP 1501 K STREET, N W WASHINGTON, D.C. 20005 (202) 736 8000 (202) 736 8711 FAX

BEIJING **NEW YORK** BRUSSELS **PALO ALTO** CHICAGO DALLAS FRANKFURT **GENEVA** HONG KONG LONDON

SAN FRANCISCO SHANGHAI SINGAPORE SYDNEY TOKYO WASHINGTON, D.C.

LOS ANGELES

thynes@sidley com (202) 736 8198

FOUNDED 1866

July 25, 2012

By Hand Delivery

Ms. Cynthia T Brown, Chief Section of Administration Office of Proceedings Surface Transportation Board 395 E Street, S W. Washington, D.C. 20423

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SunifACE TRANSPORTATION BOARD

Dear Ms Brown

I have enclosed an original and one counterpart of the document described below, to be recorded pursuant to Section 11301 of Title 49 of the U.S. Code.

The document is a Fourth Amendment to Memorandum of Security Agreement, a secondary document, dated as of June 25, 2012. The primary document to which this Fourth Amendment relates is that certain Memorandum of Security Agreement dated as of June 23, 2009 and recorded under Recordation No. 27990 We request that this document be recorded under Recordation No. 27990-H.

The names and addresses of the parties to the Fourth Amendment to Memorandum of Security Agreement are:

EXISTING COLLATERAL AGENT U.S Bank National Association

60 Livingston Avenue

EP-MN-WS3C

St Paul, MN 55107-2292 Telephone (651) 495-3918

Fax: (651) 495-8097

SUCCESSOR COLLATERAL

AGENT:

Morgan Stanley Senior Funding, Inc. 1 Pierrepont Plaza, 7th Floor ·

New York, NY 11201

Telephone (718) 754-6740

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Ms. Cynthia T. Brown July 25, 2012 Page 2

BORROWER.

RailAmerica, Inc

7411 Fullerton Street, Suite 300

Jacksonville, FL 32256

SUBSIDIARY GRANTORS:

A. & R. Line, Inc.

Alabama & Gulf Coast Railway LLC Arizona & California Railroad Company Bauxite & Northern Railway Company California Northern Railroad Company

Cascade and Columbia River Railroad Company

Central Oregon & Pacific Railroad, Inc Central Railroad Company of Indiana, The Central Railroad Company of Indianapolis

Conecuh Valley Railway, L.L.C. Connecticut Southern Railroad, Inc

Dallas, Garland & Northeastern Railroad, Inc.

Delphos Terminal Company, Inc

Eastern Alabama Railway, LLC (f/k/a Eastern Alabama

Railway, Inc)

Huron and Eastern Railway Company, Inc

Indiana & Ohio Rail Corp.

Indiana & Ohio Raılway Company

Indiana Southern Railroad, LLC (f/k/a Indiana Southern

Railroad, Inc.)

Kıamichi Raılroad Company, L L.C

Kyle Railroad Company

Kyle Railways, LLC (f/k/a formerly known Kyle

Railways, Inc.).

Massena Terminal Railroad Company, The

Mid-Michigan Railroad, Inc

Missouri & Northern Arkansas Railroad Company, Inc.

New England Central Railroad, Inc.

New StatesRail Holdings, LLC (f/k/a New StatesRail

Holdings, Inc.)

North Carolina & Virginia Railroad Company, LLC (f/k/a

North Carolina & Virginia Railroad Company, Inc.)

Otter Tail Valley Railroad Company, Inc.

Palm Beach Rail Holding, Inc

Point Comfort and Northern Railway Company

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> Puget Sound & Pacific Railroad Company RailAmerica Contract Switching Services, Inc. RailAmerica Equipment Corp. RailAmerica Intermodal Services, Inc. RailAmerica Operations Shared Services, Inc RailAmerica Operations Support Group, Inc. RailAmerica Transportation Corp. RailTex, Inc. Rockdale, Sandow & Southern Railroad Company San Diego & Imperial Valley Railroad Company, Inc. San Joaquin Valley Railroad Company San Pedro Trails, Inc. South Carolina Central Raılroad Company, LLC (f/k/a South Carolina Central Railroad Company, Inc.) South East Rail, Inc. StatesRail II Railroad LLC (f/k/a StatesRail II Railroad StatesRail, LLC (f/k/a known as StatesRail, Inc) Three Notch Railway, L L.C Toledo, Peoria & Western Railway Corporation TransRail Holdings LLC TransRail North America LLC Ventura County Railroad Company Wellsboro & Corning Railroad LLC

> > Terence M Hynrs /M)W

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Our check in the amount of \$41.00 is enclosed for the recordation fee Please return a date-stamped copy to the person hand-delivering the documents

Sincerely,

Terence M Hynes

Wiregrass Central Railway, L L C

TMH:aat Enclosures

FOURTH AMENDMENT TO MEMORANDUM OF SECURITY AGREEMENT

This Fourth Amendment to Memorandum of Security Agreement is made and entered into as of June 25, 2012 by and among RailAmerica, Inc., a Delaware corporation (the "Company"), Palm Beach Rail Holding, Inc., RailAmerica Transportation Corp., A. & R. Line, Inc., Alabama & Gulf Coast Railway L.L.C., Arizona & California Railroad Company, Bauxite & Northern Railway Company, California Northern Railroad Company, Cascade and Columbia River Railroad Company, Central Oregon & Pacific Railroad, Inc., The Central Railroad Company of Indiana, Central Railroad Company of Indianapolis, Conecuh Valley Railway, L.L.C., Connecticut Southern Railroad, Inc., Dallas, Garland & Northeastern Railroad, Inc., Eastern Alabama Railway, LLC (f/k/a Eastern Alabama Railway, Inc.), Huron & Eastern Railway Company, Inc., Indiana & Ohio Rail Corp., Indiana & Ohio Railway Company, Indiana Southern Railroad, LLC (f/k/a Indiana Southern Railroad, Inc.), Kiamichi Railroad Company L.L.C., Kyle Railroad Company, Kyle Railways, LLC (f/k/a formerly known Kyle Railways, Inc.), The Massena Terminal Railroad Company, Mid-Michigan Railroad, Inc., Missouri & Northern Arkansas Railroad Company, Inc., New England Central Railroad, Inc., New StatesRail Holdings, LLC (f/k/a New StatesRail Holdings, Inc.), North Carolina & Virginia Railroad Company, LLC (f/k/a North Carolina & Virginia Railroad Company, Inc.), Otter Tail Valley Railroad Company, Inc., Point Comfort and Northern Railway Company, Puget Sound & Pacific Railroad Company, RailAmerica Contract Switching Services, Inc., RailAmerica Equipment Corp., RailAmerica Intermodal Services, Inc., RailAmerica Operations Shared Services, Inc., RailAmerica Operations Support Group, Inc., RailTex, Inc., Rockdale, Sandow & Southern Railroad Company, San Diego & Imperial Valley Railroad Company, Inc., San Joaquin Valley Railroad Company, San Pedro Trails, Inc., South Carolina Central Railroad Company, LLC (f/k/a South Carolina Central Railroad Company, Inc.), South East Rail, Inc., StatesRail II Railroad LLC (f/k/a StatesRail II Railroad Corp.), StatesRail, LLC (f/k/a known as StatesRail, Inc.), Three Notch Railway, L.L.C., Toledo, Peoria & Western Railway Corporation, Ventura County Railroad Company, Wiregrass Central Railway, L.L.C., Delphos Terminal Company, Inc., TransRail Holdings LLC, Wellsboro & Corning Railroad, LLC and TransRail North America, LLC (each a "Domestic Subsidiary Grantor," and collectively, the "Domestic Subsidiary Grantors"), U.S. Bank National Association, a national banking association, in its capacity as existing collateral agent (the "Existing Collateral Agent") and Morgan Stanley Senior Funding, Inc. a Delaware corporation, as successor collateral agent (in such capacity, the "Successor Collateral Agent"), pursuant to that certain Security Agreement (the "Security Agreement"), dated as of June 23, 2009 (as amended from time to time thereafter) among the Company, each Domestic Subsidiary Grantor party thereto and the Existing Collateral Agent to secure, inter alia, certain rail equipment.

The Company and each Domestic Subsidiary Grantor granted the Existing Collateral Agent a first priority security interest in all locomotives, railcars and other rolling stock of the Company and each Domestic Subsidiary Grantor, whether now owned or hereafter acquired, as evidenced by that certain Memorandum of Security Agreement, dated as of June 23, 2009, which was recorded at the Surface Transportation Board on June 23, 2009 at 2:10 pm under Recordation No. 27990, as amended by that certain First Amendment to Memorandum of Security Agreement, dated as of June 30, 2011, which was recorded at the Surface Transportation Board on July 14, 2011 at 12:21 pm under Recordation No. 27990-A, as amended

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by that certain Second Amendment to Memorandum of Security Agreement, dated as of August 12, 2011, which was recorded at the Surface Transportation Board on October 12, 2011 at 9:56 am under Recordation No. 27990-B, as amended by that certain Third Amendment to Memorandum of Security Agreement, dated as of May 31, 2012, which was recorded at the Surface Transportation Board on June 12, 2012 at 10:08 am under Recordation No. 27990-F.

The Company issued its 9.25% Senior Secured Notes due 2017 pursuant to that certain indenture dated as of June 23, 2009 (as supplemented, the "Indenture") among the Company, as issuer, certain of the Company's direct and indirect subsidiaries party thereto, as guarantors, and U.S. Bank National Association, as trustee and collateral agent.

The Company and RailAmerica Transportation Corp., as borrowers, and certain of the Company's direct and indirect subsidiaries party thereto, as guarantors, entered into that certain credit agreement, dated as of August 29, 2011, as amended by that certain Amendment No. 1 dated March 1, 2012 (as further amended, amended and restated, modified or otherwise changed, the "Revolving Credit Agreement"), with Citibank, N.A., as administrative agent, the lenders from time to time party thereto and the other parties thereto;

The Company and RailAmerica Transportation Corp., as borrowers, and certain of the Company's direct and indirect subsidiaries party thereto, as guarantors, entered into that certain Credit Agreement, dated as of March 1, 2012 (as amended, amended and restated, modified or otherwise changed, the "Term Loan Credit Agreement"), with Morgan Stanley Senior Funding, Inc., as administrative agent, the lenders from time to time party thereto and the other parties thereto;

All of the outstanding Notes (as defined in the Indenture) have been repaid on the date hereof and all obligations under the Indenture have been satisfied in their entirety, provided that the obligations under the Revolving Credit Agreement and the Term Loan Credit Agreement continue to be secured under the Security Agreement. The Existing Collateral Agent, the Successor Collateral Agent, the Company and certain other parties have entered into that certain Successor Agent Agreement, dated as of June 25, 2012 (the "Successor Agent Agreement"), pursuant to which (and under the transactions described therein), among other things, the Company, the Existing Collateral Agent, the Successor Collateral Agent and other parties thereto agreed that the Successor Collateral Agent shall succeed and replace the Existing Collateral Agent in the Existing Collateral Agent's capacity under the Security Agreement. The Existing Collateral Agent, the Successor Collateral Agent, the Company and the Domestic Subsidiary Guarantors hereby acknowledge that pursuant to the terms of the Successor Agent Agreement, the Successor Collateral Agent has succeeded and replaced the Existing Collateral Agent as the collateral agent under the Security Agreement.

[Remainder of Page Intentionally Left Blank Signature Page Follows]

IN WITNESS WHEREOF, each of the parties hereto, pursuant to due corporate authority, has caused this Fourth Amendment to Memorandum of Security Agreement to be duly executed in its corporate name by its officers, thereunto duly authorized, all as of the date first above written.

EXISTING COLLATERAL AGENT:

U.S. BANK NATIONAL ASSOCIATION, as existing Collateral Agent

By. Name: Donald T. Hurrelbrink
Title: Vice President

SUCCSSOR COLLATERAL AGENT:

MORGAN STANLEY SENIOR FUNDING, INC., as succeeding Collateral Agent

By.		
•	Name:	
	Title:	
CON	MPANY:	
RAI	LAMERICA, INC.	
By:		
	Name: Scott G. Williams	

Title: Senior Vice President and Secretary

IN WITNESS WHEREOF, each of the parties hereto, pursuant to due corporate authority, has caused this Fourth Amendment to Memorandum of Security Agreement to be duly executed in its corporate name by its officers, thereunto duly authorized, all as of the date first above written.

EXISTING COLLATERAL AGENT:

U.S BANK NATIONAL ASSOCIATION, as existing Collateral Agent

Ву:		 	
•	Name:		
	Title:		

SUCCSSOR COLLATERAL AGENT:

MORGAN STANLEY SENIOR FUNDING, INC., as succeeding Collateral Agent

Name: Henrik 2 Sondstram
Title: Authorized Signatury

COMPANY.

RAILAMERICA, INC.

By: Name: Scott G. Williams

Title: Senior Vice President and Secretary

IN WITNESS WHEREOF, each of the parties hereto, pursuant to due corporate authority, has caused this Fourth Amendment to Memorandum of Security Agreement to be duly executed in its corporate name by its officers, thereunto duly authorized, all as of the date first above written.

DOMESTIC SUBSIDIARY GRANTORS: PALM BEACH RAIL HOLDING, INC. By. Name: Scott G. Williams Title: President RAILAMERICA TRANSPORTATION CORP. By: Joshua Putterman Vice President A. & R. LINE, IX By. Vice President ALABAMA & GULF COAST RAILWAY L.L.C. By. Name Voshua Putterman Title. Vice President **ARIZONA** ALIFORNIA RAILROAD COMPANY By: Joshua Putterman Vice President BAUXITE & WRTHERN RAILWAY COMPANY

By:

Name. Joshua Putterman Title: Vice President

CALIFORNIA WORTHERN RAILROAD COMPANY
By Name Joshua Putterman Title. Vice President
CASCADE AND COLUMBIA RIVER RAILROAD COMPANY
By: Name. Joshus Putterman Title: Vice President
CENTRAL OREGON & PACIFIC RAILROAD, INC.
By: Name: Joshya Putterman Title: Vice President
THE CENTRAL RAILROAD COMPANY OF INDIANA
By: Name: Josepha Putterman Title: Vice President
CENTRAL RAILROAD COMPANY OF INDIANAPOLIS
By. Name: Joshuk Putterman Title: Vice President
CONNECTICUT SOUTHERN RAILROAD, INC.
By: Name: Johna Putterman Title: Vice President
DALLAS, GARIAND & NORTHEASTERN RAILROAD, INC.
By: Name: Joshua Putterman Tutle: Vice President

EAST	ERN ALABAMA RAILWAY, LLC	
Ву:		
	Name Josefua Putterman Fitle: Vice President	
HUR	ON & EASTERN BAILWAY COMPAN	Y, INC.
By:		
	Name: Jashua Putterman	
•	Title: Vice President	
INDL	NA & CHAO BATT CORP.	
By:		
•	Name: Joshua Putterman	
,	Title: Vice President	
INDI	NA & OHIO RAIL WAY COMPANY	
By:		
	Name [.] Joshua Putterman	
•	Citle: Vice President	
INDL	NA SOUTHERN RAILROAD, LLC	
By:	/	
	Name: Joshua Putterman Citle: Vice President	
	ICHYRAILROAD COMPANY L L.C.	
By:	Vame Joshua Putterman	
	Citle: Vice President	
KYLI	RAILEOAD COMPANY	
T)		
By:	Name: Joshua Putterman	
	Title: Vice President	

KYLE RAILWAYS, LLC
By: Name: Joshuz Putterman Title: Vice President
THE MASSENA TERMINAL RAILROAD COMPANY
By. Name Joshua Putterman Title: Vice President
MID-MICHIGAN RAILROAD, INC.
By. Name: Jospua Putterman Title: Vice President
MISSOURI & NORTHERN ARKANSAS RAILROAD COMPANY, INC.
By: Name: Joshua Putterman Title: Vice President
NEW ENGLAND ENTRAL RAILROAD, INC.
By: Name: Joshua Putterman Title: Vice President
NEW STATESRAIL HOLDINGS, LLC
By: Name: Joshua Putterman Title: Vice President
NORTH CAROLINA & VIRGINIA RAILROAD COMPANY, LLC
By: Name: Joshua Putterman

Title: Vice President

RAILA	MERICA OPERATIONS SUPPORT GROUP, INC.
	me Joshua Putterman tle: Vice President
RAILTI	EX, DYC.
	amer Joshua Putterman tle: Vice President
ROCKI	DALM, SANDOW & SOUTHERN RAILROAD COMPANY
	ime Joshua Putterman tle. Vice President
SAN DI	EGO ME IMPERIAL VALLEY RAILROAD COMPANY, INC.
	ime. Jornua Putterman tle: Vice President
SAN JO	AQUINVALLEY RAILROAD COMPANY
Tr.,	aple: Joshua Putterman tle: Vice President
SAN PE	EDRO TRAILS, INC.
By: Na	and: Joshua Putterman tle: Vice President
SOUTH	CAROLINA CENTRAL RAILROAD COMPANY, LLC
	ame. Joshua Putterman tle: Vice President

OTTER TAIL VALLEY RAILROAD COMPANY, INC. By: Name: Joshua Putterman Title. Vice President POINT COMFORT AND NORTHERN RAILWAY COMPANY By: Name: Léshua Putterman Title: Vice President PUGET SOUND & PACIFIC RAILROAD COMPANY By: Name: Loshua Putterman Title: Vice President RAILAMERICA CONTRACT SWITCHING SERVICES, INC. By: Name. Joshua Putterman Title: Vice President RAILAMERICA EQUIPMENT CORP. By: Name: Joshua Putterman Title: Vice President RAILAMERICA INTERMODAL SERVICES, INC. By: shua Putterman Title: Vice President RAILAMERICA OPERATIONS SHARED SERVICES, INC.

By: Name: David Novak

Title: President

SOU	JTH EAST RAIL, INC.	
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Ву:		
	Name Joshua Putterman	
	Title: Vice President	
	1	
STA	TESRAIL MRAILROAD LLC	
By:		
	Name: Joshua Putterman	
	Title: Vice President	
STA	ATESRAIL, LLC	
	7.4	
By:		
_ ,	Name: Joshua Putterman	
	Title: Vice President	
	Title. Vice Tiesident	
TOL	LEDO, PE ORJ A & WESTERN RAILW <i>A</i>	V CORPOR ATION
1 OL	SEDO, TEGIOTA WESTERN RAIDWY	T COM OMITON
By:		
Dy.	Name: Josaua Putterman	
	Title: Vice President	
	Title. Vice Flesident	
N Z TZ N I'		NTV
V EIN	NTURA COUNTY RAILROAD COMPA	III I
Ву:		
Dy.	Narhe: Joshua Putterman	
	Title: Vice President	
	Title: Vice President	
~~ > T	TECHNIAL EDIT DAY WAS IT O	
CON	NECUH VALLEY RAILWAY, LLC	
D		
Ву:		
	Name: Joshua Putterman	
	Title: Vice President	
THR	REE NOTCH RAILWAY, LLC	
_	/h/	
By:		
	Name: Jeshua Putterman	

Title: Vice President

WIREGRASS GENTRAL RAILWAY, LLC By. shua Putterman Title: Vice President DELPHOS TERMINAL COMPANY, INC. By: Name, Joshua Putterman Title: Vice President TRANSRAIL HOLDINGS, LLC By. Name: Scott-William Title Vice President & Secretary WELLSBORO & COKNING RAILROAD, LLC By: Name: Janes Shefelbine Title. Vige President & Secretary TRANSRAIL NORTH AMERICA, LLC By:

Name. Scott Williams

Title: Vice President & Secretary

STATE OF MINNESOTA)	
)	SS:
COUNTY OF RAMSEY)	

On this <u>2946</u> day of June, 2012, before me personally appeared <u>Donald T. Hurrelbrink</u> to me personally known, who being duly sworn, stated that he is the <u>Vice President</u> of U.S. Bank National Association, and that the instrument was signed on behalf of the said corporation by authority of its board of directors, and he acknowledged that the execution of said instrument to be its voluntary act and deed. Before me:



Notary Public
My Commission expires: 51,31,20/6

STATE OF NEW YMX	
COUNTY OF New York) SS: July 2012 horse	e me personally appeared lenk Sanglam,
of Morgan Stanley Senior Funding, Inc., and the	hat the instrument was signed on behalf of the said ors, and he acknowledged that the execution of said
- N	Auli G. Hard Motory Public Stoke of New York County Public Ottory 3 2019
	By Commission expires: $\frac{16/3/13}{}$

STATE OF FLORIDA)	
)	SS
COUNTY OF DUVAL)	

On this 2 day of June, 2012, before me personally appeared Scott G. Williams, to me personally known, who being duly sworn, stated that he is the Senior Vice President, General Counsel and Secretary of RailAmerica, Inc., President of Palm Beach Rail Holding, Inc. and Vice President and Secretary of TransRail Holdings, LLC and TransRail North America, LLC, and that the instrument was signed on behalf of the said corporation by authority of its board of directors, and he acknowledged that the execution of said instrument to be its voluntary act and deed. Before me:

Notary Public for Florida
My Commission expires: 6/21/2013

JENNIFER L. TAYLOR

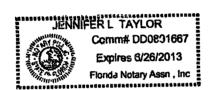


STATE OF FLORIDA)	
)	SS
COUNTY OF DUVAL)	

On this 2 day of June, 2012, before me personally appeared James Shefelbine, to me personally known, who being duly sworn, stated that he is the Vice President and Secretary of Wellsboro & Corning Railroad, LLC, and that the instrument was signed on behalf of the said corporation by authority of its board of directors, and he acknowledged that the execution of said instrument to be its voluntary act and deed. Before me:

Notary Public for Florida
My Commission expires 4/24/2013

JENNIFER L. TAYLOR



STATE OF FLORIDA)

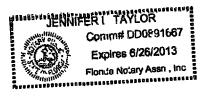
SS:
COUNTY OF DUVAL)

On this 2 day of June, 2012, before me personally appeared Joshua Putterman, to me personally known, who being duly sworn, stated that he is the Vice President, RailAmerica Transportation Corp., Alabama & Gulf Coast Railway L.L.C., Arizona & California Railroad Company, Bauxite & Northern Railway Company, California Northern Railroad Company, Cascade and Columbia River Railroad Company, Central Oregon & Pacific Railroad, Inc., The Central Railroad Company of Indiana, Central Railroad Company of Indianapolis, Connecticut Southern Railroad, Inc., Dallas, Garland & Northeastern Railroad, Inc., Eastern Alabama Railway, Inc., Huron & Eastern Railway Company, Inc., Indiana & Ohio Rail Corp., Indiana & Ohio Railway Company, Indiana Southern Railroad, Inc., Kiamichi Railroad Company L.L.C., Kyle Railroad Company, Kyle Railways, Inc., The Massena Terminal Railroad Company, Mid-Michigan Railroad, Inc., Missouri & Northern Arkansas Railroad Company, Inc., New England Central Railroad, Inc., New StatesRail Holdings, Inc., North Carolina & Virginia Railroad Company, Inc., Otter Tail Valley Railroad Company, Inc., Point Comfort and Northern Railway Company, Puget Sound & Pacific Railroad Company, RailAmerica Contract Switching Services, Inc., RailAmerica Equipment Corp., RailAmerica Intermodal Services, Inc., RailAmerica Operations Shared Services, Inc., RailAmerica Operations Support Group, Inc., RailTex, Inc., Rockdale, Sandow & Southern Railroad Company, San Diego & Imperial Valley Railroad Company, Inc., San Joaquin Valley Railroad Company, San Pedro Trails, Inc., South Carolina Central Railroad Company, Inc., South East Rail, Inc., StatesRail II Railroad Corp., StatesRail, Inc., Toledo, Peoria & Western Railway Corporation, Ventura County Railroad Company, Conecuh Valley Railway, LLC, Three Notch Railway, LLC, Wiregrass Central Railway, LLC and Delphos Terminal Company, Inc., and that the instrument was signed on behalf of the said corporation or said limited liability company by authority of its board of directors, and he acknowledged that the execution of said instrument to be its voluntary act and deed Before me:

otary Public for Florida

My Commission expires:

JENNIFER L. TAYLOR



STATE OF FLORIDA)	
COUNTY OF DUVAL)	SS

On this 2 day of sund, 2012, before me personally appeared David Novak, to me personally known, who being duly sworn, stated that he is the President of RailAmerica Operations Shared Services, Inc., and that the instrument was signed on behalf of the said corporation by authority of its board of directors, and he acknowledged that the execution of said instrument to be its voluntary act and deed. Before me:

Notary Public for Florida

My-Commission expires: 6/26/29/3

SEAL

JENNIFER L TAYLOR

